



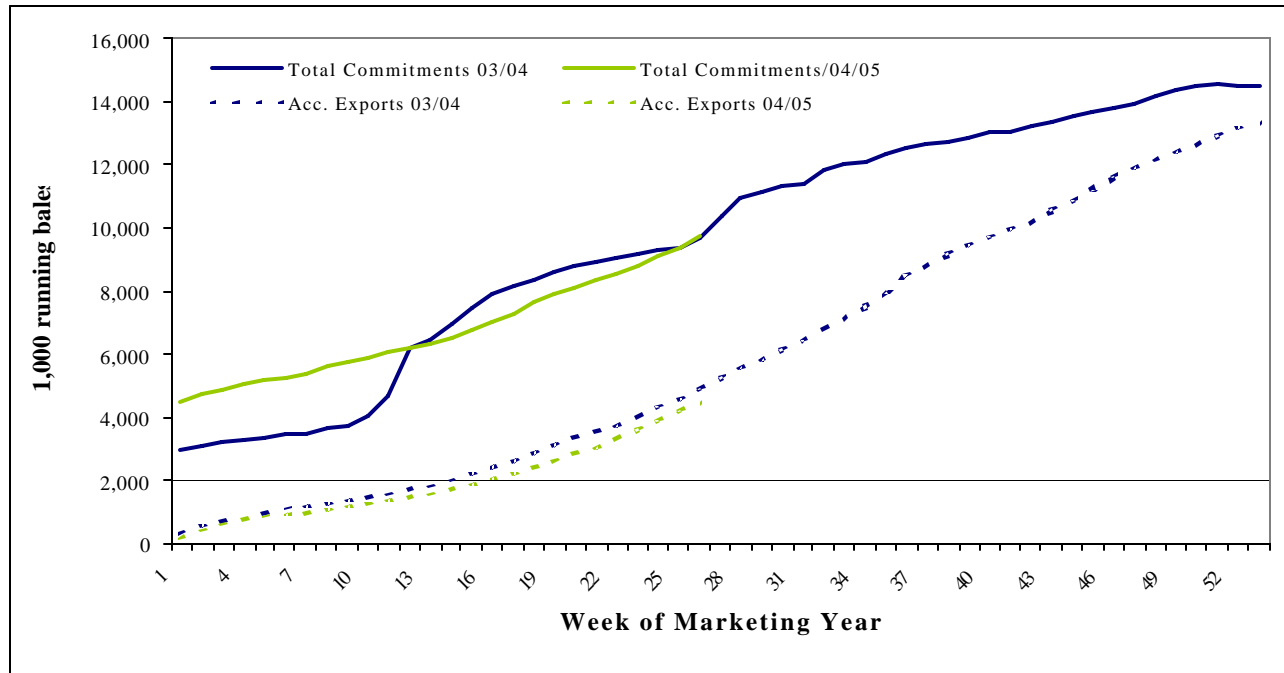
United States
Department of
Agriculture

Foreign
Agricultural
Service

Circular Series
FC-02-05
February 05

Cotton: World Markets and Trade

U.S. Export Commitments on Track with Export Forecast



Export Sales reports show that as of week 26 of the 2004/05 marketing year, accumulated exports of all cotton were 4.5 million running bales compared to 4.9 million last year. This is in line with the current USDA U.S. export forecast of 12.62 million bales (13.0 million 480 lb. bales). Accumulated exports to China are nearly 890,000 bales behind last year, while exports to western hemisphere countries are down nearly 220,000 bales. However, exports to all other Asian markets, except India with its record crop, are up significantly.

Total commitments for all cotton are 9.8 million running bales, compared to 9.7 million last marketing year at the same time. Higher carry over commitments at the beginning of 2004/05 (4.5 million bales compared to 3.0 million bales at the beginning of 2003/04) have offset slower sales seen during the first half of 04/05. The slower sales in 04/05 are largely due to the lower presence of China in the market so far this year. Outstanding sales to China are down by nearly 1.3 million bales from this time last year mainly because China made large early-season purchases last fall due to fears of a short crop. With China's total imports in 2004/05 forecast up slightly from 03/04 and no expectation of a major decrease in the U.S. share of Chinese imports, sales and exports to China are expected to pick up dramatically.

With higher total commitments and lower accumulated exports, outstanding sales are up nearly 550,000 bales. Coupled with lower outstanding sales to China, outstanding sales other markets are up dramatically, non-China Asia up 1.1 million bales, Turkey up 450,000 bales and western hemisphere up 140,000 bales.